



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF  
TELECOMMUNICATIONS & ENERGY**

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May 8, 2002

Cheryl M. Kimball  
Keegan, Werlin and Pabian, LLP  
21 Custom House Street  
Boston, MA 02110

Re: Southern Union Company D.T.E. 02-27

Dear Ms. Kimball:

Enclosed please find the Department of Telecommunications and Energy's Second Set of Information Requests to Southern Union Company ("the Company") issued in the above-captioned matter. Please submit the Company's responses on or before 5 P.M., Friday, May 10, 2002.

Thank you for your attention in this matter.

Sincerely,

Elizabeth A. Cellucci  
Hearing Officer

Enc.

cc: Mary Cottrell, Secretary  
Carol Wasserman, Division of Energy Resources

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

SECOND SET OF INFORMATION REQUESTS OF  
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
TO SOUTHERN UNION COMPANY

D.T.E. 02-27

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Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to The Southern Union Company ("Southern Union" or "Company") the following Information Requests:

**INSTRUCTIONS**

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
  - (B) Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
  - (C) These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
  - (D) The term "provide complete and detailed documentation" means:  
  
Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn, and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
  - (E) The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If the Company finds that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written

response.

7. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department; also submit one (1) copy of the response to: (1) Elizabeth Cellucci, Hearing Officer; (2) Glenn Shippee, Rates and Revenues Division; (3) George Yiankos, Gas Division; (4) Joseph Passagio, Rates and Revenues Division; (5) Paul Osborne, Rates and Revenues Division; (6) Miguel Maravi, Rates and Revenues Division.
8. Responses are due by 5:00 p.m. Friday, May 10, 2002.

DTE 2-1 Refer to the Company's response to DTE 1-8, where it states:

"This is because detailed financial information for the reporting period ending March 31 does not become available until May 13, when the Company's 10-Q is filed with the Securities Exchange Commission."

Please provide a copy of the 10-Q, or the information contained in the 10-Q, on May 13 at the evidentiary hearing at the Department.

DTE 2-2 Refer the Company's response in DTE 1-10 (A). Please provide the monthly market value of the Company's common stock from May 2000 through April 2002.

DTE 2-3 Refer to the Company's response in DTE 1-10 (B). Please describe to what extent month-to-month variations in the Company's share prices affects the corporate financial goals and the individual goals discussed in page 8 and 9 of the attachment to the Company's response to DTE 1-25.

DTE 2-4 Refer to the Company's response in DTE 1-13. Please provide the individual or institutional names of the shareholders with more than 1 percent of the total shares of each common stockholder category listed therein (i.e., Directors and Officers; Management Employees and Other Employees; Institutional Investors; Individual Investors; and Others). As part of your response include the number of shares and the percentage held by each shareholder's name, and provide the Company's definition of "Others" as used in this response.

DTE 2-5 Refer to pages 8 and 9 of the attachment to the Company's response to DTE 1-25, where it states:

"The Board then determines compensation for such executive officers, in light of a) the Company's actual performance as compared to its corporate financial goals, b) individual executive officer's actual performance as compared to its individual goals supporting the Company's financial and operating objectives, c) the Company's executive officer compensation levels relative to its peers groups, and d) periodic reports from independent compensation consultants regarding the compensation competitiveness of the Company".

Please provide the following information:

A) Explain in detail each one of the corporate financial goals used a basis for

executive compensation and how the executive officer's compensation is determined according to those goals.

B) Explain in detail each one of the individual goals used as a basis for executive compensation and how the executive officer's compensation is determined according to those goals.

C) Explain in detail how the peer groups and periodic compensation reports are used in determining executive officers' compensation.